

STREET SMART

June 7, 2006

Governments
SANBAG
Working Together

Meeting Summary of the SANBAG Board of Directors

San Bernardino Associated Governments ■ 1170 W. 3rd St., 2nd Floor, San Bernardino, CA 92410 ■ (909) 884-8276
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■ Board approves 2006-07 budget



The Board of Directors unanimously approved a \$309 million budget for the 2006-07 fiscal year. The budget includes estimated revenue of \$325.4 million and expenditures of approximately \$309 million.

The greatest amount of anticipated revenue, about 40%, is from Measure I, the half-cent sales tax for transportation improvements in San Bernardino County. Other planned revenue is derived from state, federal and local sources.

The most significant planned expenditures are for Measure I funded projects in the San Bernardino Valley. About 51% of the budget or approximately \$157 million will go toward these major projects, including construction of Route 210 and widening of Interstate 215. Other expenses include road projects countywide, commuter rail and transit programs, ridesharing programs and more.

The 2006-07 budget is higher than this year's budget, which totaled approximately \$290 million.

■ Caltrans preps for Devore rehab work

Caltrans plans to begin its "Devore 2" project this summer to rehabilitate pavement, build a truck-climbing lane and upgrade safety and drainage near the Interstate 15/215 interchange in Devore. This \$26 million project will require lane closures and traffic detours during nine summer weekends of the project, expected to be complete by late 2007.

Project Manager Norm Sudaym and Caltrans Public Affairs Chief Rose Melgoza discussed how the work will affect motorists. Caltrans will be conducting extensive community outreach and has established a toll-free helpline, 866-383-4631, for more information.

■ Baker honored for 15 years of service



Senior Transit Analyst Victoria Baker was lauded by the Board of Directors for her 15 years of service to SANBAG. She joined SANBAG in June 1991 in the Finance Department, and then moved to the rail/transit division in 1993.

Board President Kelly Chastain, pictured with Baker at left, presented Baker with a 15-year pin to thank her for her loyalty.

■ Hansberger, Lindley elected new Board officers

Board members unanimously elected Supervisor Dennis Hansberger as the new president of the SANBAG Board of Directors for 2006-07. Hesperia City Council member Jim Lindley was elected vice president. Both positions take effect on July 5.



Hansberger

Hansberger was elected to the Board of Supervisors in 1996 after serving two previous terms from 1972 to 1980. This year, he served as chair of SANBAG's Administrative Committee. He also serves on the Board of Directors for Omnitrans, the Morongo Basin Transit Authority, and the Inland Valley Development Agency.

Lindley was elected to the Hesperia City Council in 1998 and is a member of SANBAG's Administrative, Plans & Programs and Mountain-Desert committees.

During the coming year, Hansberger and Lindley will lead SANBAG through the Measure I Strategic Plan process, which will help determine priorities of future transportation projects, analyze the possibility of borrowing against future Measure I revenue and review project costs and expected revenue during the next Measure I term, which will run from 2010 to 2040.

Down the road . . .

- June 14: Administrative Committee, 9 a.m.
- June 15: Major Projects Committee, 9 a.m.
- June 16: Mountain-Desert Committee, 9 a.m.
- June 21: Plans & Programs Committee, 12 noon

Bond proposal, Prop 42 “fix” on November ballot

Bond would provide \$19.9 billion for transportation projects statewide

The Senate and Assembly approved a \$37.3 billion package of bonds for highways, schools, levees and affordable housing last month, subject to approval by California voters in November. The package includes a \$19.925 billion bond for transportation, \$10.4 billion for education, \$4.09 billion for flood prevention and \$2.85 billion for housing and emergency shelter.

Also in May, Governor Schwarzenegger issued the latest 2006-07 budget proposal, which allows Proposition 42 funds to be directed to transportation and provides for repayment of Prop 42 monies suspended in previous years. A bill to remedy the ongoing “loophole” for the suspension of these funds also will be placed before voters.

Jennifer Franco, SANBAG’s Director of Intergovernmental Relations and Legislative Affairs, outlined components of the bond bill and Prop 42 funding.

This month’s *Street Smart* takes a closer look at the components of the transportation bond bill and proposed state budget.



Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006

Senate Bill 1266, authored by Don Perata, would designate \$19.925 billion for transportation projects across California. The measure does not list specific projects to be funded, except for the central valley’s State Route 99. To be labeled Proposition 1B on the ballot, the bill includes:

- \$4.5 billion for corridor mobility improvements
- \$4 billion for public transit capital projects
- \$3.1 billion for goods movement investments on rail and highway systems, of which \$1 billion is reserved for air quality improvements
- \$2 billion to augment the State Transportation Improvement Program
- \$2 billion for local street/road projects, to be divided equally between cities and counties
- \$1 billion for State Route 99 improvements
- \$1 billion for state-local partnership projects (with a 1:1 match for projects funded by local sales tax measures)
- \$1 billion for transit system safety, security and disaster response
- \$750 million for highway safety, rehabilitation and preservation
- \$250 million for railroad grade separation projects
- \$200 million for school bus retrofit and replacement
- \$125 million for local bridge seismic retrofit

SANBAG was pleased with the amount eligible for transportation projects through the bond bill, but was disappointed that several provisions were not included in the final version, including design-build authority and a much higher amount for freight movement. An earlier version of the bill allowed leveraging federal and private funds at a 1:1 ratio for air quality programs and a 4:1 ratio for

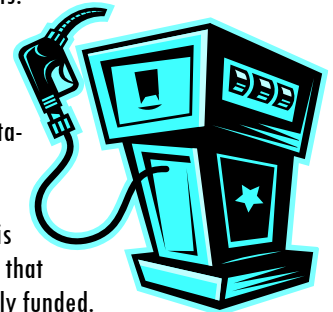
infrastructure. The original provision included \$17 billion in funding for freight movement and air quality improvements, but this was reduced to \$3.1 billion.

However, a separate bill by Assemblyman Fabian Nunez would help establish public-private partnerships for goods movement and toll lanes — two in Southern California and two in Northern California. The location of these high occupancy toll lanes have not been identified. This bill also is subject to approval by voters.

Proposition 42 Fix

Since its inception in 2003, Proposition 42 has included a “loophole” that allows it to be suspended in times of fiscal crisis.

This proposition, which directs the state sales tax on gasoline to transportation, has been suspended twice using this loophole. This year is the first time that Prop 42 has been fully funded.



Proposition 1A, which will appear on the November ballot, will make it more difficult for Prop 42 funds to be suspended. The suspension clause would remain in effect, but could be activated only during times of severe financial crisis, and only by a gubernatorial proclamation and a two-thirds vote of the legislature. The suspension would be treated as a loan, and the funds could not be touched more than two times in a 10-year period. The second suspension of Prop 42 during this period would not be granted if the initially suspended funds had not been repaid. Any loans must be repaid within three years.

The May Revision of the Governor’s budget includes full funding of Prop 42 for 2006-07, a total of \$3.1 billion for transportation. Plans had called for the repayment of \$920 million in previously borrowed Prop 42 funds, but the Senate has recommended reducing the repayment amount to \$460 million for the coming year.